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ABSTRACT

While program evaluation at most community colleges provide decision-makers with tactical data relating to past or current budget and enrollment statistics, there is an increased need to evaluate programs on the basis of long-term strategic information relating to projected market forces such as the future economic health of the community or expectations for future state funding. Indeed, tactical program evaluation techniques, which monitor input, process, and output variables such as enrollment, student/faculty ratios, and costs per student credit hour, provide voluminous data reports which, while serving the needs of external funding agencies, are of little value to the time-pressed administrator. Accordingly, many administrators are leaving these short-term, tactical considerations to middle-managers and concentrating instead on a strategic mode which evaluates the program's contribution to the institution's long-term goals and mission. This mode requires that a program be evaluated in light of real community needs; that evaluation take into account prognosticative data such as the projected future job market; and that budgeting incorporate both a short-term operational budget and a long-term strategic budget. Such a long-term orientation will allow administrators to plan ahead for potential problems, rather than simply react after the fact. (JP)

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STRATEGIC PLANNING AND PROGRAM EVALUATION IN THE COMMUNITY COLLEGE

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As community colleges and other two-year institutions move into the financially turbulent 80's, increasing emphasis will be placed upon institutional management to discover and/or produce data that relates to strategic planning as well as the ever present needs for tactical planning. Many institutions currently have evaluations plans or designs for programmatic needs that fit into an operations tactical planning mode. Many of these plans or designs involve little more than a systematized program review document. While these kinds of evaluations serve a necessary and useful role for the middle management of an institution, it is becoming evident that community college executives need to plan much further down the road than many have had to in the past (Lounsbury, et. al., 1979). College planners, be they the president or an office of planning, need to take the future into account in terms of market forces, economic health of the community, state, or regional planning directions for higher education, community perceptions of the institution (i.e., the "market" the community believes the institution serves), future state funding directions, etc. Program evaluation will have to respond to these executives needs by addressing the strategic concerns at the same time statistics generation for operational decision-making is reported. Some institutions will want to incorporate both into one document, while others will split the "audience" into two separate groups with two different reports.

The objective of such a strategic evaluation will be to locate and identify educational programs within the overall strategic management (Ansoff, 1978) of the institution. Strategic management merges the institution's strategic posture and internal organization structure to produce institutional capability for achieving strategic goals. When college executives must decide between programs for existing funds, or decide whether or not to enter a new market and drop a program that appears to be waning in FTE, that decision should be made within the overall framework of an institutional strategic management plan. Making decisions to keep or retain a program should not be made solely on tactical "management statistics," such as FTE.

Operational Planning Evaluation

Many institutional evaluation plans are the result of data bases present when the plan was developed. Many of these existing data bases were generated for program review documents requested by external funding agencies. A third contributor to the program review slant of evaluation documents is the need for decision makers within an organization to make decisions on what are termed "relevant" (i.e., immediately understandable to all) statistics. This particular type of operational evaluation document can be termed the operations tally mentality. Under the pressure of the budget crunch that many two-year colleges are now experiencing (and will undoubtedly experience to a greater degree in the 1980's), many decision makers are looking to make hard decisions that will impact their schools for several years by utilizing a cost-effectiveness model. This type of evaluation document will frequently contain such breakouts as input variables, process variables, output variables, and outcome variables, content variables, contextual variables, etc. These

variable names will change from institution to institution, but the categories of statistics generated tend to appear across all institutions.

The so-called input phase will request a graph or table specifying the FTE enrollment in a particular program over the past five- to ten-year history. Another common variable is the number of full-time instructional staff and part-time instructional staff. Some institutions will put estimates or projections on future FTE enrollments and full-time staffing requirements on the same historical graph.

Process variables frequently involve such statistics as the student/faculty ratio (again, in an historical perspective) and program changers. These are statistics that try to describe what is happening to students within a given program, sort of an ongoing measurement of an early warning attrition alarm.

Output variables are frequently described with statistics such as program completer ratios (the percentage of students who complete a program upon entering it). Another commonly reported statistic is cost per student credit hour generated within the program. This is an extremely important statistic in many operational planning models and almost always finds its way into cost effectiveness studies.

All institutional evaluators have noted that their large and voluminous reports are frequently sent back by executive officers with a request to produce a brief document that summarizes it in one to three pages. As a result, statistics that relate to funding formulas, soft funds, hard funds, and capital expenses, etc., are pulled out for highlighting in the summaries. The net effect is the decisions are made on the basis of a few sheets of paper. This can be a very effective way of conducting operational control of programs in a given fiscal year.

It is quite common in institutions that practice this type of evaluation model for faculty to remark that the evaluations do not do their programs justice. Many institutions have attempted to meet this criticism by adding variables describing criteria that can summarize the program in greater detail but frequently with no resultant reduction in faculty discontent with the decision-making process.

Further examples of input variables could be: FTE student enrollment and percent change from previous years; number of program majors; number of instructional staff; number, level of education, field of education, licensure or certification, professional development and practical experience of full-time faculty; average full-time faculty salary; number of students enrolled in the program by full-time and part-time status; number of square feet of space dedicated to the program; replacement value of program equipment; proportion of technical, related, and general education credit hours in the curriculum; degree to which job performance skills are reinforced in the curriculum. Many institutions have generated statistics of similar genre for their in-house plans.

Further examples of process variables could be: student/faculty ratio and percent change from previous years; percent of students who changed their program major out of the program; percentage of class enrollments in each grade category; number of courses/sections cancelled per quarter and number of students displaced; portion of lecture credit hours to cooperative/field/clinical/laboratory credit hours; cost of providing clinical, individualized, and field experiences.

Further examples of output criteria could be: number of program completers; cost per credit hour; number of program graduates and percent

changes from previous years; proportion of program completers (and level of completion related to educational objectives) to program leavers and percent change from previous years; percent of non-completed student credit hours; percent of entering students who ultimately graduate; percent of graduates of selective admissions programs versus percent of graduates of open enrollment programs.

Further examples of outcome criteria could be: percent of graduates placed within three to six months in their occupational/technical area; student satisfaction with vocational preparation; employment in field related to training; job retention offers; average entry salary of program graduates; salary levels after three years on the job; employer satisfaction with job performance; percent of available positions filled by college.

It is not the intent of this author to imply that all of the above criteria are necessarily just operational in intent. Several of the variables can fit into strategic planning criteria. The point remains, however, that top management teams within educational institutions are starting to request small summaries that provide options or recommendations for action from the institutional evaluator that are definitive and simple. Many of the so-called full-scale evaluation plans are, in actuality, reduced to program review documents in a decision-making process.

Another phenomenon taking place involves educational administrators attending management improvement seminars at local business schools titled, "How to Push Back Data from Your MIS System." Educational administrators are taking management courses which teach them to ignore most of the data being produced by the evaluation and institutional

research reports. The decision-maker frequently does not have the time to pour through an in-depth fifty-page report describing a particular program. Most executives are overwhelmed with paper even in the best of times. With the need to reduce programs and make tough financial decisions between competing programs within an institution, the paperwork seems to mushroom. Executives are stating that evaluation documents are not giving them the information they need. It is frequently a mystery to educational evaluators as to what it is they are actually asking for.

Evolution of Evaluation

It is possible that institutions have to pass through an evolutionary process to achieve good strategic evaluations. Many two-year schools were overwhelmed by growth through the period of the 60's and 70's. Administrators and decision-makers were faced with the enviable tasks of finding more space for more students with more faculty. It appears that this rapid expansion period is now over. Many institutions have turned to full-scale program evaluations to help them deal with the emerging financial climate of tight money, increasing personnel costs, and faint hope for enrollment growth.

Since many two-year schools have waited to institute evaluation strategies and operations in a climate of tough decision-making, it is frequently viewed as a punitive process by faculty. All evaluators know that the time to introduce evaluation is during a period of growth, when the evaluation is used as a means of helping the institution with controlling future growth. All concerned, generally, accept the evaluation component in that financial climate. However, if the administrative team has delayed the introduction of program evaluation until financially

difficult times, they will have to realize that the exchanges between administration and faculty will become increasingly bitter and contentious. Evaluation schemes will be attacked as serving the function of a "hit squad." Administration has to guard against becoming reactionary.

When the case for evaluation reaches a need level, the institutional research office is frequently requested to add the task of program evaluation onto their already large tasks of providing for external reporting requirements. Many institutional researchers have spent years in developing a large data base from whence to satisfy external reporting requirements. Many institutions have to report to a board of regents, a state funding agency, or to a federal agency providing soft dollars. Many federal agencies also require data analysis and presentation as a part of ongoing HEW review. It is the contention of this paper that the data collected by most state and federal agencies does not serve the needs of institutional decision-makers. The institutional research office, when faced with the request to provide evaluation data, took the perfectly rational approach of adding the evaluation system onto the existing data base that they had created. This is especially true if the data base is housed within a large computer facility. A new administrator is frequently brought onto the team to be accountable for the evaluation activities. In either event, the result is that evaluation documents tend to be based on <u>data</u> systems generated to produce <u>program review</u> reports. Evaluation was not built on the institutional planning base. Many institutional researchers have been somewhat bemused by college executives now telling them that their large reports filled with objective data are not satisfying the questions they have.

The problem goes beyond any lack of statistical training of college executives. This paper proposes that institutional researchers and evaluators have contributed to the problem by failing to acquaint themselves with the type of questions the college executive management team needs answered. It is also quite probable that college executives have been unable to communicate their needs to the institutional evaluation office in a clear and cogent fashion.

Strategic Evaluation

Strategic evaluation is a process that examines an educational program from the perspective of the long-term goals and missions of the school and asks how this particular program will assist the institution in achieving its goals. Strategic evaluation is not a "snapshot" of the program's current health. Operational evaluation, the most prevalent, examines a program's worth compared to its particular program objective attainment. The traditional concept of program evaluation contributes more to the operating mechanics of an institution of higher education than to strategic management. Many of the evaluation's being performed in community colleges do not serve the needs of the executive team. Community college executives are now turning greater proportions of their attention to strategic concerns and leaving more operational decisions to middle management.

The concept of strategic management used in this paper is that of Ansoff (1979). Management can be viewed as a combination of strategic and operating dimensions. Strategic questions are oriented towards establishing specific definitions of what the school will offer in two or three years (in terms of its program settings) and asking how every decision made concerning educational program offerings and services

contributes towards achieving those goals. Under this type of futuristic mental attitude, the concept of operational management assumes the additional responsibility of consciously establishing operational systems within the organization to establish the necessary linkages that implement steps facilitating strategic goal achievement.

Strategic evaluation can make use of projection or predicting models of future program success, but the contribution of evaluation within the overall strategic management activities will assume another more important task as well, namely, to address the question of institutional posture or positioning. In the world of business, a corporate entity will determine that the future may hold developments that cannot be predicted with any great accuracy. Ansoff and other management theorists counsel that an organization cannot possibly predict the surprises of the future with any degree of certainty, so they recommend that an organization diversity (multiple program offerings AND multiple instructional delivery systems) and strive toward flexibility in its organizational structure. Thus, an educational evaluator must now address the question of how a particular educational program fits within the overall institutional portfolio for providing service to the citizenry that comprises its market share.

Business now views its product line (program offerings) in terms of a four stage life cycle. The first stage is one of innovation and low market share (starting a pilot program on an off-campus site). The second stage involves one of rapidly expanding growth of the product demand (enrollment). The third stage involves a declining growth rate that reduces profit margins (cost effectiveness drops) and the industry (school) must incorporate model changes (program name changes and new modules) to stimulate demand (enrollment).

The fourth stage is referred to as demand saturation (no further enrollment growth possible) and decline. The market snare stabilizes and the traditional "fix" of industry was to incorporate technology to reduce product production costs such as robotics. Historically, industries that miss out on the technological substitution aspects of this product life cycle step choose to move out of that demand arena and completely take on a whole new product line, e.g., from energy to owning transportation companies. In education, this is somewhat analogous to an institution evolving from a state teachers college to a liberal arts college, or to build up its scientific offerings. The main difference in behavior between educational institutions and industry is that education rarely drops the programs that have not fared well (or will not in the near and long term future) and adds more new programs than it drops. The result is an ever growing high cost component of the school's budget that increasingly takes a large share of the funds that could be utilized to start new efforts.

A major concern of strategic management addresses the concept of institutional capability (Ansoff, 1979). As part of establishing the strategic posture for the institution, the executive management team (with the Board of Trustees being included as part of that process) will need to build two parallel budgets: one operational and the other strategic. Failure to set aside separate budgets for strategic purposes will result in the budget unit heads submitting maintenance budgets to protect turf first and institutional goals second. When financial pressures arise, caused either by inflation, state funding cutbacks, levy expiration, etc., it becomes politically difficult to make cuts in approved budgets in order to start building institutional capacity for

the future. Thus, strategic evaluation reports will have to address the estimated costs of building capacity and, furthermore, project those costs over a time frame lengthy enough to allow for control of the process, usually two or three years.

The operational program evaluations presently being conducted in many schools will become part of the strategic evaluation activity. They can identify areas within a program that are weak in terms of supporting future goals and planned capabilities, and suggest possible strategies to redirect funds and/or efforts necessary to achieve the future posture desired by the institution. This, of course, necessitates the institutional evaluator(s) becoming part of the strategic planning input and process. The evaluator should not usurp the role of executive management in determining which decisions should be made but they should strive to become part of the strategic team that provides the staff work involved in these kinds of activities. If the college executive leadership fails to address strategic concerns, a strategic evaluation report written to show the level of success in achieving the mission statement (and costs associated with implementation steps to achieve full success) may serve as a stimulant.

One probable outcome of this movement into strategic evaluation will be a reduction in many of the innocuous statistics being collected in some operational evaluations of educational programs, e.g., percentage of grades in courses by departmental major, etc. These statistics, while masterpieces of computer analysis, are probably being ignored in meaningful decision-making already. With the increased demands on staff resources that result from real dollar cuts in many institutional budgets, there will be pressure to discard them. They should be. Institutions

should consider a list of key statistics for immediate operational management tasks and next year planning and scheduling. The strategic emphasis will cause a switch to analyses more in line with "content or context" analyses (which are evaluations under a different name when applied to programmatic scopes). One of the ironies that will strike researchers is that evaluation for strategic planning may involve a move to more "soft" data bases; many researchers have spent years becoming "hard" data based for operational planning purposes.

Decision makers within an institution will have to examine whether or not retraining, sabbaticals, an in-house staff development effort, or bringing in a consultant to assist faculty in revising a program to meet emerging community needs/demands should be options built into the institutional planning/budget process in order to achieve capability for success with long-term goals. If a decision maker has to determine which "old" programs will be dropped to make room for innovative (new) programs, he/she will want data and analyses stating more than the present and past condition of the old program on budget statistics and variables. Many weak programs hould not be cut but should be extensively altered. Institutional researchers and evaluators should anticipate questions. Reports will have to go beyond a simple diagnosis (suitably buttressed with a two foot high pile of computer paper stored in the basement) to a prognosis model whereby educational programs are judged in light of institutional missions.

Several of the new measures now appearing in enrollment projection formulas (Romoser, 1980) can play a role in answering the types of questions that institutional researchers will have to build into the design of their evaluation data collection activities. Data referring to

topics such as: what will be the number of future jobs in an industry five years from now? will local employers expand or reduce current plant activity and capacity? will need for law enforcement training programs diminish as businesses located in high risk areas close out and open in less risky locations? will the actions of the federal reserve system to reduce credit in the economic system affect the community more than other areas within the state? Evaluators will have to anticipate the types of reports and data that executives will utilize. Many of the relevant variables appear in the evaluation plans but institutional administrators demand such information in a format suitable for strategic planning consumption. To the extent that the research office can anticipate data requests, the task of tooling up the support systems necessary for such efforts can be made less painful.

The significance of good strategic evaluation relates to institutional health in a long-term context. Any school can affort to make mistakes in planning when more students enroll regardless of what actions are undertaken. But, The Chronicle lists weekly horror stories concerning the monstrous cost pressure felt by many areas of higher education, especially four-year schools. While the two-year schools are not expected to experience similar problems in the magnitude of the four-year sector, it sould be folly to assume they will escape unscathed. Institutional evaluators who prepare for these new data demands will minimize the strain on their operational units and cut the lead time necessary to develop the associated software from the management information system, which is probably computer based.

For many college presidents, the decision will be a hard choice of deciding whom or what will have to go in order to place resources within

the institution to meet the new challenges. Institutional evaluators have a professional interest in those decisions being made with appropriate and relevant data. Good strategic evaluation, within the overall context of an institutional plan, can plan for staff and faculty retraining before the student/faculty ratios become a disaster. Sufficient lead time can be given to faculty who might have to face relocation in order to continue their careers in teaching. Attrition will not produce planned results if there is no plan. Many institutions may want to set "target" staffing patterns that are aimed at five years hence in order to make program hiring and tenure decisions before options are closed by myopia with next year's staffing and class schedule building. It allows a hiring freeze to be proactive rather than an across the board reaction to alarming news from the budget office at mid-year. Selected areas would be allowed to expand, while others would be targeted for reduction and the freeze applied early enough so that normal attrition will be able to assist executives in performing necessary staff reductions in a humane manner.

Developing a staffing plan six months after the hiring freeze in a large organization will most likely result in operational planning driving the strategic goals, e.g., since program B is already down by three out of four faculty, it will close rather than rebuild it and phase out program C that has six tenured faculty with an average age of 27 and three students. That example points to a lack of strategic planning and allowed program review statistics to dictate planning options and future decision making. What if program B was data processing? or energy conservation technology? Strategic evaluation would have addressed the role of each program in achieving the institutional mission

and laid out cost estimates and action steps to rebuild program B if it were central to the mission. Program C's strategic evaluation would have outlined enrollment building steps or program phase-out and associated personnel options.

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